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FINANCIAL SCAMS ON THE RISE DURING COVID-19 PANDEMIC

Bethpage Warns Members, Provides Important Tips to Consumers

Bethpage, New York – May 4, 2020 – According to Bethpage Federal Credit Union, the largest credit union in New York and the Northeast region, widespread financial scams are on the rise, with an increase in fraudulent incidents involving both consumers and businesses. Bethpage is currently working with members to alert them of the increase, so that they don't fall victim to fraud.

Scott Gyllensten, Bethpage's Chief Risk Officer states, "New Yorkers need to be aware of the increased risk of attempted fraud and heightened vulnerabilities created by the Coronavirus. While fraudsters are always lurking in the background, consumers should be especially vigilant now, as New York is experiencing an increase in the frequency and sophistication of fraud attempts during this unprecedented time."

Bethpage reports the specific details of an exceedingly prevalent COVID-19 financial scam during which a fraudster attempts to collect the consumers' personal information by impersonating a financial institution employee, and falsely claiming there are security issues related recent transactions.

Details of this type of financial scam include:

- Consumers receive a text message falsely claiming to be from their financial institution regarding a fictional recent charge on their debit card, asking the consumer to verify the transaction.
- The consumer then replies that they don't recognize the charge in question.
- The consumer then receives a phone call from what appears to be the phone number of their financial institution, but is not, and from a supposed employee, who is not, asking

them to verify their account information, including their social security number, online credentials, debit card/PIN numbers and a texted verification code.

- Finally, the consumer provides the information to the caller, allowing the fraudster to gain access to their online account
- The fraudster then initiates account changes, sends out payments, or even applies for loans in the consumer's name.

In response to this illegal activity, in recent weeks, Bethpage has increased its proactive outreach to members regarding the uptick in fraud, sharing specific examples of the scams, as well as detailed instructions and tips how to handle this new onslaught of financial scams. Some of the tips shared with members to avoid fraud include:

Don't believe your caller ID. Technology makes it easy for scammers to fake caller ID information, so the name and number you see aren't always real. If someone calls asking for money or personal information, hang up. If you think the caller might be telling the truth, call back to a number you know is genuine.

Spot imposters. Scammers often pretend to be someone you trust, like a government official, a family member, a charity, or a company you do business with. Don't send money or give out personal information in response to an unexpected request — whether it comes as a text, a phone call, or an email.

Don't pay upfront for a promise. Someone might ask you to pay in advance for things like debt relief, credit and loan offers, mortgage assistance, or a job. They might even say you've won a prize, but first you have to pay taxes or fees. If you do, they will likely take the money and disappear.

Consider how you pay. Credit cards have significant fraud protection built in, but some payment methods don't. Wiring money through services like Western Union or MoneyGram is risky because it's nearly impossible to get your money back. That's also true for reloadable cards (like MoneyPak or Reloadit) and gift cards (like iTunes or Google Play). Government offices and legitimate companies won't require you to use these payment methods.

Hang up on robocalls. If you answer the phone and hear a recorded sales pitch, hang up and report it to the FTC. These calls are illegal, and often the products are bogus. Don't press 1 to speak to a person or to be taken off the list. That could lead to more calls.

According to Gyllensten, "We are seeing an increase in many different types of fraud, with fraudsters looking to profit from increase uncertainty and fear." The following is a list of other fraudulent scams on the rise now, as well:

Loan Fraud Scams: Scammers are targeting small businesses claiming guaranteed approval for PPP loans for a fee. In other cases, they are contacting the small businesses and taking loan application information as a means of stealing financial information for social engineering purposes.

Stimulus Check Scams: Scammers are asking for bank account, PayPal, or other sensitive information, claiming that they need it to process your stimulus check related to the COVID-19 pandemic.

Investment Scams: Often styled as “research reports,” claiming that products or services of publicly-traded companies can prevent, detect, or cure COVID-19.

Gyllensten implores that “The best way to avoid falling victim to these fraudsters is to remain vigilant, be wary of scammers and understand that financial institutions, like Bethpage, will never make or send unsolicited calls, emails, or texts asking a member or account holder to provide sensitive or personal information, like a Social Security number, debit or credit card numbers, online credentials, PINs, etc. Do not provide this information UNLESS you initiated the contact and you know that the contact is legitimate. Even then you should be wary.”

If an individual believes that they have unwittingly shared their sensitive personal information or have fallen victim to a scam, making them susceptible to financial loss or identity theft, they should immediately contact their financial institution.

Bethpage Federal Credit Union is a premier financial institution committed to enriching the lives of its members, employees and the communities it serves for over 75 years. Bethpage is the largest credit union in the Northeast region, as well as 13th largest in the nation. Voted the Third Best Company to Work For in New York State by the New York State Society for Human Resources Management and the Best Place to Work on Long Island by Newsday’s Top Workplaces Poll, Bethpage is a federally chartered credit union, available to people nationwide who open a \$5 dollar membership account. Bethpage offers a robust digital platform that allows members to bank with us from anywhere. Bethpage is a part of the national CO-OP network that gives members access to their accounts at over 30,000 free ATMs and 5,000+ shared branches across the U.S. As a financial cooperative, Bethpage offers great rates, low fees and world-class service, plus a full menu of personal and commercial financial services. For more information on Bethpage’s robust portfolio of banking, borrowing, and investment services, visit www.lovebethpage.com or call 1-800- 628-7070.

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